



“Buy, Recycle, Save” An Early Assessment

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Background

- Established by the Energy Policy Act of 2005 (42 USC 15821)
 - States provide rebates for energy efficient appliances
 - ...to residential consumers
 - ...for replacement of an existing appliance of same type
- Funded by the American Recovery and Reinvestment Act of 2009
 - **\$300 million** nationwide
 - **\$35.2 million for California** - roughly a dollar per resident



Administrative Hierarchy

U.S. Department of Energy

“State Energy Efficient Appliance Rebate Program”



California Energy Commission

“California Cash for Appliances Program”



Partners / Rebate Processor / Call Center
Consumer Education, Promotion, Marketing



Federal Program Goals

- American Recovery And Reinvestment Act
 - Spur economic growth and create jobs
 - Save energy and reduce greenhouse gas emissions
 - Ensure transparency and accountability
- State Energy Efficient Appliance Rebate Program
 - Save energy
 - Make rebates available to all residential consumers
 - Enhance existing rebate programs
 - Keep administrative costs low while adhering to monitoring and evaluation requirements – 50% cost match
 - Promote state and national tracking and accountability



The SEEARP

The U.S. Department of Energy implementation of the State Energy Efficient Appliance Rebate Program (SEEARP) gave States freedom to design their own programs, but with additional caveats:

- Provided a list of 10 “pre-qualified” appliance types for states to choose from
- Specified no rebates for consumer electronics or for non-appliance improvements (e.g., cool roofs)
- Required that rebate funds "supplement, but not supplant" any existing rebate efforts in the state



California's Program Goals

- Maximize partnerships
- 95% of ARRA dollars for rebates
- Maximize energy efficiency gains
- Focus on appliance types with high demand in California
- Set rebate levels that really incent consumers
- Ensure all replaced appliances are recycled (demanufactured)
- Launch no later than April 22, 2010



California's approach

- Three appliance types to rebate: Clothes Washers, Refrigerators, and Room Air Conditioners
 - Widely used throughout the State and sit at different price points
- Must be certified to the California Energy Commission (Title 20)
- Qualifying efficiency levels were set above the basic ENERGY STAR thresholds where possible
 - CEE Tier 2 and above for Refrigerators and Clothes Washers
 - CEE Tier 1 for Room Air Conditioners
- Rebate levels were set according to the average market price and efficiency premium of each appliance type
 - \$200 for Refrigerators
 - \$100 for Clothes Washers
 - \$50 for Room Air Conditioners



California's Program Structure

- Energy Commission program design and oversight
- Rebate processor for data management and validation
- Call Center provides direct support to consumers
- Partners to provide “in-kind” support: consumer educations, program promotion, marketing, web-support, etc...
- One or more rebate offer periods



Program Eligibility

Program eligibility essentially requires five things:

- A California resident
- ...purchases a qualified model
- ...from a California retail location
- ...during the rebate period
- ...and recycles an old appliance of the same type.

Rebates are limited to one rebate of each appliance type per residential household.

Rebates are also **FIRST COME FIRST SERVED.**



A Complete Application

There are five items required for a complete rebate application:

- A filled out Rebate Application form
- A filled out Proof of Recycling form
- A copy of purchase receipt (to verify purchase)
- A copy of recent utility bill (to verify residency)
- An original Energy Guide label or UPC label



Program Launch

- Officially began April 22, 2010
- Numerous partners throughout state
- Extensive media attention and coverage
- Many retailers, large and small, report record sales
- Refrigerators are the most popular appliance sold – leveraging on average \$2000 of economic activity
- Demand for products exceeds supply



What Went Right

- Partnership – Official and Platinum Partners have proven invaluable to program success
- Rebate levels – high enough to generate interest without depleting funds too swiftly
- Branding – the California Cash for Appliances logo and messaging were a huge success
- Consumers – demand for energy efficient products very high and they are recycling their old ones
- State – established and implemented a program in less than 7 months



Lessons Learned

- “The good news is the programs a success; the bad news is the program is a success.”
- Partnerships are key
- More rules, more requirements - more challenges
- Some things take time – to solidify relationships, refine program guidelines, educate participants and resolve issues
- You can't please everyone
- “Real-time updates” is hard to do with a mail in program



Conclusion

- Cash for Appliances stimulated economic activity
- Great opportunity to educate consumers about efficiency
- Everyone needs to be involved to make efficiency programs successful - manufacturers, retailers, utilities, recyclers, etc...
- With all the program goals and requirements we couldn't make it simple
- Rebate programs can be an effective part of an overall efficiency portfolio
- It will take time to determine the real results



Questions?

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